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THE AGRICULTURAL SITUATION.

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

ISSUED MONTHLY FOR EXTENSION WORKERS AND THE STAFF BY THE BUREAU OF AGRICULTURAL ECONOMICS, U. S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

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SOME IMPROVEMENT AND ROOM FOR MORE

Three years ago this fall the price of cotton plunged to bankruptcy depths. Two years ago corn followed suit. Last fall it was potatoes. Now it is wheat. There is some very real distress among growers in the western part of the Wheat Belt. However, the experience of three years demonstrates that surpluses do not last forever. The talk among winter wheat growers is for something like a 15% reduction in acreage now about to be sown.

Wheat has been having a great deal of attention from the public, nevertheless it does not dominate the agricultural situation as a whole. In general, conditions over the country are apparently somewhat better this season than last. The East, the South, the Corn Belt, the Range Country, and the Pacific Coast all show improvement rather than otherwise - both in position as to debts and outlook for fall income. The Southwest has suffered from drouth as have local sections in the East. But in the main this is a pretty good crop year.

The harvest is going forward full speed, handicapped by lack of help but mostly favored by good weather. Hay and early grains are now in barn, stack or granary. Corn, cotton and potato harvest will be on presently. The feed crops are ample. The late money crops - cotton, potatoes, fruit etc., - promise moderately well, with expectation of fairly good prices. Vegetable and canning crops are heavy.

The course of hog prices in spite of the heavy market receipts indicates that somebody has a helpful appetite for pork. Over $48\frac{1}{2}$ million hogs went to slaughter the last fiscal year, or about $4\frac{1}{4}$ million above any previous year. Some strengthening of hog prices is normal at this time of year.

Summing up the general situation, it is fair to record improvement outside the Wheat Belt. The wheat situation is not to be overlooked, however. It is an acute symptom of that general and persistent maladjustment between the returns for labor of country workers and that of urban workers. The purchasing power of farmers is still seriously below par. From that fact springs a broad undercurrent of unrest which is still a factor to be reckoned with.

REGIONS AT A GLANCE

THE EAST - Severe drouth in sections. Oats were poor. Potato prospect fair; fruit prospect below last year. Milk prices better than year ago but short pastures have made it necessary to feed in many areas.

THE SOUTH - Cotton has suffered from weevil in the East and drouth in the West. Picking began and harvest will presently be well forward. Some men disturbed at slackening in British cotton trade. Farmers generally in fair spirits wherever they have been able to make a crop.

CORN BELT - Cheered by price of corn and by some seasonal recovery in hog prices. But wondering whether next spring will still find cheap hogs eating high-priced corn. Corn crop looks good, on the whole. Work well forward. General feeling optimistic.

WHEAT BELT - Pessimistic. Many growers close to bankruptcy. Winter wheat men talking 10 to 15% reduction in acreage. Fitting ground for latter and sowing has begun. Disposition to hold back new wheat from market where men are able to do so.

RANGE COUNTRY - Good grass and stock in good shape in the more northern regions, generally speaking. Dry weather and short grass in the South. Leading sheep men beginning to turn an eye on the slackened wool trade. Cattle men appear to look for better times rather than poorer.

PACIFIC COAST - Fruit crop good and the grain crop was generally satisfactory. Northern Coast wheat growers are the only ones in the country who apparently feel at all optimistic. The apricots are dried in California, pears harvested, grapes about ready and look well. Coast is one of the encouraging spots on the agricultural map.

CROP PRODUCTION

The following shows production of important crops in 1913, five-year average, last year, and estimates for this year. Compiled by Division of Crop and Live-Stock Estimates, B. A. E.

Figures given to nearest million, six ciphers omitted.

<u>Crop</u>	<u>1913 Production</u>	<u>1917-1921 Average</u>	<u>1922 Production</u>	<u>1923 July Estimate</u>	<u>1923 Aug. Estimate</u>
Wheat, bu.					
Winter	523	590	586	586	568
Spring	240	245	276	235	225
All	763	835	862	821	793
Corn, bu.	2,447	2,931	2,891	2,877	2,982
Oats, bu.	1,122	1,378	1,201	1,284	1,316
Barley, bu.	178	192	186	198	202
Rye, bu.	41	70	95	69	65
Cotton, bales	14.1	11.2	9.76	11.4	11.5
Potatoes, bu.	332	388	451	382	380
Hay, all, tons	64	99	113	99	97
Apples, bu.	145	160	201	189	188
Peaches, bu.	40	43	57	48	47
Flax, bu.	18	10	12	18	19
Beans, bu.	--	13	12	15	15
Tobacco, lbs.	954	1,361	1,325	1,425	1,474
Grain sorghums, bu.	---	103	90	125	113

General crop prospects improved during month of July. The average of crop condition on August 1 was 1% higher than on month previous, and only slightly (2.6%) below the ten-year average.

AVERAGE PRICES, AT THE FARM, OF REPRESENTATIVE PRODUCTS
Month Ending August 1, 1923.

Actual prices received at the farm by producers. Average of reports covering the United States, weighted according to relative importance of county and State. Figures compiled by Division of Crop and Live-Stock Estimates of this Bureau. Quotations in dollars or cents.

Shows 1913, year ago, and latest available month.

	<u>July</u> <u>1913</u>	<u>July</u> <u>1922</u>	<u>June</u> <u>1923</u>	<u>July</u> <u>1923</u>
Cotton, per lb.	¢ 11.5	20.7	26.2	23.5
Corn, per bu.	¢ 65.4	64.4	86.5	87.4
Wheat, per bu.	¢ 77.1	97.1	95.1	84.2
Hay, per ton	\$ 10.43	10.97	11.69	11.87
Potatoes, per bu.	¢ 69.2	114.8	83.1	122.7
Oats, per bu.	¢ 37.6	35.0	42.5	37.8
Apples, per bu.	¢ 80.6	133.6	182.1	131.2
Beef cattle, per 100 lbs.	\$ 5.98	5.76	5.82	5.72
Hogs, per 100 lbs.	\$ 7.81	9.12	6.37	6.68
Eggs, per dozen	¢ 17.2	20.5	20.9	22.9
Butter, per lb.	¢ 24.9	33.2	37.3	36.8
Wool, per lb.	¢ 15.9	32.5	41.5	38.3
Veal calves, per 100 lbs.	\$ 7.46	7.49	7.66	8.00
Lambs, per 100 lbs.	\$ 6.05	9.55	10.72	10.60

Wheat wound up the old "crop year" with sagging prices. Cotton also declined somewhat, while corn and potatoes moved upward.

In general, the crops as a group declined slightly in price (about 2% below June).

The significant change in the livestock group was a decline in wool prices.

PRICE INDEXES FOR MONTH ENDING AUGUST 1

1913 = 100

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics. Shows year ago, and latest available months:

Farm Products
(Prices at the farm)

	<u>July</u> <u>1922</u>	<u>June</u> <u>1923</u>	<u>July</u> <u>1923</u>	<u>Month</u> <u>Trend</u>
Cotton	167	211	190 - -	Lower
Corn	108	146	147 - -	Higher
Wheat	124	121	107 - -	Lower
Hay	100	106	108 - -	Higher
Potatoes	179	129	191 - -	Higher
Beef cattle	98	99	97 - -	Lower
Hogs	122	85	89 - -	Higher
Eggs	106	108	119 - -	Higher
Butter	123	138	136 - -	Lower
Wool	194	248	229 - -	Lower

Commodity Groups
(Wholesale Prices)

	<u>July</u> <u>1922</u>	<u>June</u> <u>1923</u>	<u>July</u> <u>1923</u>	<u>Month</u> <u>Trend</u>
Farm products	135	138	135 - -	Lower
Food, etc.	142	142	141 - -	Lower
Cloths & clothing	180	198	193 - -	Lower
Fuel & lighting	254	186	183 - -	Lower
Metal & met. products	121	148	145 - -	Lower
Bldg. materials	170	194	190 - -	Lower
Chemicals, etc.	121	131	128 - -	Lower
House-furnishing goods	173	187	187 - -	Same
<u>ALL COMMODITIES</u>	155	153	151 - -	<u>LOWER</u>

RELATIVE PURCHASING POWER

(At July 1923 Farm Prices)

1913 = 100

Of a Unit of:

<u>In terms of:</u>	<u>Cotton</u>	<u>Corn</u>	<u>Wheat</u>	<u>Hay</u>	<u>Potatoes</u>
All commodities	126	97	71	72	126
Cloths, etc.	98	76	55	56	99
Fuel, etc.	104	80	58	59	104
Metals, etc.	131	101	74	74	132
Bldg. materials	100	77	56	57	100
House-furnishing goods	102	79	57	58	102

	<u>Beef cattle</u>	<u>Swine</u>	<u>Eggs</u>	<u>Butter</u>	<u>Wool</u>
All commodities	64	59	79	90	152
Cloths, etc.	50	46	62	70	119
Fuel, etc.	53	49	65	74	125
Metals, etc.	67	61	82	94	158
Bldg. materials	51	47	63	72	121
House-furnishing goods	52	48	64	73	122

The purchasing power index worked lower during July in the case of wheat. For crops as a group it was practically unchanged.

The livestock group improved slightly in position due mainly to slight advances in hogs and eggs.

SUMMARY OF PRICE INDEX NUMBERS

1913 - 100

In the following, farm price indexes are compiled by this Bureau; wholesale prices are the Department of Labor indexes. Purchasing power represents relationship between prices, at the farm, of farm products and wholesale prices of non-agricultural products, unit quantities being considered in each case.

Year and month	Farm Price Crops 15th of month	Farm Price Livestock 15th of month	Farm Price Crops and Livestock combined	Wholesale price All Commodities	Wholesale price of Non-Agrl. Commodities*	Purchasing Power of Farm Products#
1913	100	100	100	100	100	100
1914	108	103	106	98	94	112
1915	110	95	102	101	97	106
1916	124	111	118	127	132	89
1917	208	164	186	177	176	106
1918	224	192	208	194	186	112
1919	234	198	216	206	195	111
1920	238	168	203	226	234	86
1921	109	107	108	147	161	67
1922	113	111	112	149	163	69
<u>1922</u>						
January	98	95	96	138	150	65
February	105	108	106	141	149	71
March	112	117	114	142	150	76
April	115	115	115	143	153	75
May	118	118	118	148	161	73
June	119	119	119	150	164	72
July	118	119	118	155	172	69
August	114	112	113	155	176	64
September	110	109	110	153	170	64
October	110	110	110	154	169	65
November	118	105	112	156	169	66
December	123	104	114	156	168	68
<u>1923</u>						
January	126	106	116	156	170	68
February	130	107	118	157	172	69
March	134	106	120	159	175	69
April	139	107	123	159	176	70
May	140	105	123	156	172	71
June	139	100	120	153	168	71
July	136	102	119	151	165	72

* "All commodities", excluding farm products and food.

Expressed in terms of other products.

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at five markets. Compiled by this Bureau. All figures given to nearest thousand, that is, three ciphers omitted:

Month	WHEAT Receipts Th. Bu.	CORN Receipts Th. Bu.	HOGS Receipts Thousands	CATTLE Receipts Thousands	SHEEP Receipts Thousands	BUTTER Receipts Th. lbs.
1921 Total	435,606	340,908	41,040	19,764	24,168	569,340
1922 Jan.	18,372	52,097	4,278	1,628	1,835	41,697
" Feb.	21,151	58,330	3,612	1,416	1,399	38,894
" Mar.	19,729	31,035	3,411	1,622	1,465	44,919
" Apr.	15,536	14,552	3,067	1,470	1,227	42,694
" May	29,015	27,083	3,737	1,878	1,692	68,893
" June	19,753	31,157	3,776	1,759	1,700	93,139
" July	42,128	25,975	2,980	1,709	1,677	92,829
" Aug.	59,649	24,380	3,037	2,149	1,951	62,494
" Sept.	56,992	35,296	3,062	2,373	2,303	46,419
" Oct.	49,124	32,477	3,682	2,936	3,311	41,351
" Nov.	41,510	23,925	4,421	2,427	2,288	38,678
" Dec.	46,002	37,466	5,004	1,825	1,516	38,475
" Total	418,961	393,773	44,067	23,192	22,364	650,482
1923 Jan.	38,002	38,371	5,306	1,876	1,636	48,697
" Feb.	20,176	30,518	4,492	1,427	1,366	39,877
" Mar.	22,081	24,710	4,926	1,502	1,430	49,881
" Apr.	21,785	16,836	4,318	1,670	1,447	48,881
" May	17,457	10,840	4,524	1,900	1,794	55,459
" June	18,217	14,610	4,209	1,636	1,452	76,403
" July	36,435	18,515	4,181	1,903	1,661	64,084

July witnessed the usual increase in wheat movement; also a heavier flow of old corn, induced presumably by high price.

The run of hogs to market continued heavy. Butter receipts showed some decrease.

THE TREND OF EXPORT MOVEMENT

Compiled from Commerce reports by Division of Statistical Research of this Bureau.

Month	WHEAT including flour 1,000 Bushels	TOBACCO 1,000 Pounds	BACON, HAMS AND SHOULDERS 1,000 Pounds	LARD 1,000 Pounds	COTTON TOTAL* MEATS 1,000 Pounds	COTTON running bales 1,000 Bales
1922 January	15,010	32,265	48,120	73,194	55,777	459
" February	10,992	25,845	66,003	75,520	62,647	326
" March	14,374	32,966	54,763	64,377	62,231	452
" April	10,449	40,189	43,284	42,459	48,828	602
" May	14,267	39,844	44,058	50,817	50,196	457
" June	18,200	30,323	55,621	57,249	64,124	479
" July	19,124	32,318	59,252	66,058	67,886	365
" August	38,964	28,957	51,353	68,907	60,443	269
" September	31,839	33,101	51,040	61,120	60,863	366
" October	25,077	58,353	50,940	66,333	60,651	798
" November	17,578	39,786	51,407	62,321	63,357	855
" December	16,428	36,954	65,642	78,596	76,951	606
1923 January	12,519	41,651	74,432	107,786	86,938	470
" February	12,197	25,978	64,488	89,055	75,023	360
" March	10,725	31,640	66,441	109,187	75,933	318
" April	10,195	40,185	68,528	85,475	77,963	260
" May	14,396	28,420	64,608	93,199	72,607	160
" June	12,881	49,730	68,480	64,605	68,823	215
" July	12,822	46,866	64,264	69,478	74,165	171
7 mos. Jan.-July 1922	102,416	233,750	371,071	429,674	411,689	3,139
Same period 1923	85,735	264,470	462,241	618,785	531,452	1,954

Export movement continues to reflect the same situation: namely, more pork, lard, and meats but less wheat and cotton going out of the country.

* Includes fresh, canned and pickled beef, bacon, hams and shoulders, fresh, canned, and pickled pork, mutton and lamb..

THE COLD STORAGE SITUATION

Aug. 1 holdings (Figures show nearest thousand, three ciphers omitted):

<u>Commodity</u>	<u>5 Year Average</u>	<u>Aug. 1, 1922</u>	<u>July 1, 1923</u>	<u>Aug. 1, 1923</u>
Creamery butter, lbs.	99,859	103,151	62,768	101,714
American cheese, lbs.	50,165	46,580	36,834	55,768
Case eggs, cases	7,811	10,161	10,222	10,503
Total poultry, lbs.	26,708	30,659	49,100	41,262
Total beef, lbs.	126,292	47,030	57,220	46,091
Total pork, lbs.	814,172	683,451	908,505	862,765
Lard, lbs.	146,399	143,084	123,896	101,279
Lamb & mutton, lbs.	4,554	3,308	3,556	2,946
Total meats, lbs.	1,022,179	788,523	1,040,751	980,232

Dairy products and eggs moved into storage in volume. Stocks of each slightly above average.

All meats showed outward movement during July.

GENERAL BUSINESS INDICATORS
RELATED TO AGRICULTURE

	1922 <u>July</u>	1923 <u>June</u>	1923 <u>July</u>	Month's <u>Trend</u>
<u>Production</u>				
Pig iron (Thou. tons)	2,405	3,668	3,680	Little change
Bituminous coal (Thou. tons)	17,003	45,644	45,126	Decrease
Cement (Thou. barrels)	11,557	12,382	12,620	Increase
Automobiles shipped (Thou. carloads)	29	41	32	Decrease
<u>Consumption</u>				
Cotton by mills (Thou. bales)	458	542	462	Increase
Unfilled orders Steel Corp. (Thou. T.)	5,776	6,386	5,911	Decrease
Building contracts (Millions dollars)	350	324	274	Decrease
Hogs slaughtered (Thousands)	2,980	4,204	4,181	Decrease
Cattle " "	1,710	1,629	1,903	Increase
Sheep " "	1,677	1,426	1,661	Increase
<u>Movements</u>				
Bank clearings (N.Y.) (Billions dollars)	18	19	17	Decrease
Car loadings (Weekly av., Thousands)	828	1,005	990	Decrease
Mail order sales (Thou. dollars)	17,355	24,945	22,453	Decrease
Men employed, 1428 firms (Thousands)	1,730	2,041	2,041	No change
Interest rate, Coml. Paper (60-90D)	3.78	4.98	4.95	Little change
Loans and discounts, "F.R.M. banks (Millions dollars)	10,739	11,850	11,716	Decrease
Retail Food Price Index (Dept. Labor)	142	144	147	Increase
Wholesale Price Index (Dept. Labor)	155	153	151	Decrease
Av. price 25 industrial stocks (dollars)	99	106	103	Decrease
Total imports into U. S. (Millions dollars)	252	320	284	Decrease
Total exports from U. S. (Millions dollars)	301	320	310	Decrease

Activity in building, automobiles and related industries continues toward a lower plane. General business is still heavy, however. A few wage increases are still taking place, but employment is not pressing on the labor supply so keenly as two months ago. Wholesale prices have declined slightly. The stock market has continued a slow decline.

Urban industrial conditions are still good, on the whole. Agricultural products are practically assured of a good (domestic) fall market. Business men outside the wheat States appear fairly optimistic and indications point to reasonably strong fall trade.

WHAT IS BACK OF THE DISTRESS IN THE WHEAT BELT?

Henry C. Taylor

Chief, Bureau of Agricultural Economics

In answer to the question, "What is the matter with the farmer?", if I were to put my finger on the major difficulty, which is often kept in the background when talking about the agricultural situation, I would simply say: The difficulty with the farmer is that he is not getting a fair share of the national income. He is not able to exchange his products for an adequate amount of the products of other industries, - coal, machinery, clothing, building material, etc.

In the main, the difficulty is not a matter of bad farm management, nor inefficiency in marketing, although there is room for improvement in both of these lines. It is true that there has not always been a perfect balance between the different lines of production.

In the latter part of 1920 and the larger part of 1921, cotton and wool were in the foreground. Thousands of farmers and bankers throughout the South, hundreds of wool growers and men who had lent money on sheep in the Northwest were insolvent. The progress of the boll weevil and the accompanying readjustments in the farming, the producing of more corn and other food and feed crops and more live stock, instead of devoting themselves to cotton alone, aided the farmers of the South in getting out of their immediate financial difficulty, whatever the ultimate effect may be. The number of sheep were reduced, accumulated stocks of wool were used up and the tariff on wool was raised, all of which helped to restore wool prices. Thus the cotton and wool phase of the after-war agricultural depression passed. But, as the southern farmers planted more corn and raised more hogs, corn became the outstanding feature of the agricultural situation. We had too much corn. If in some way we could have gotten rid of a half-billion bushels, we would have been happy. Since that date corn acreage has somewhat declined, yields have been lower and pig production has increased, and today no farmer is complaining about the price of corn.

When we turn to the wheat situation it is different. The wheat farmer, particularly the winter wheat farmer, has not read-

justed his farming since the war period when there was an extraordinary demand for wheat. It is true that the spring wheat farmers of Minnesota and the Dakotas are planting smaller acreage to wheat now than before the war. Minnesota, for example, planted 2,300,000 fewer acres of wheat in 1923 than for the five-year period 1909-1913, but Montana's total planting for the 1923 harvest was 2,594,000 acres greater than for the pre-war years and Kansas planted 5,408,000 acres more for the 1923 harvest than her average plantings from 1909 to 1913. All told, in spite of the fact that fourteen States planted less wheat for 1923 harvest than on the average for the five years before the war, the total plantings for the United States as a whole were 13,744,000 acres greater. Illinois, distinctly a corn-belt State, planted 1,000,000 acres more wheat for the 1923 harvest than before the war; Colorado 1,500,000 more; Oklahoma over 2,000,000 more and Kansas, as stated above, increased her plantings nearly 5,500,000 acres.

By increased production and decreased consumption since the war, the United States has increased (net) exports of wheat from an average of 99,000,000 bushels (1909-13) to 265,000,000 bushels (1919-22), an increase of 166,000,000 bushels, which is 10,000,000 bushels more than Russia exported annually before the war. The average annual exports of the United States, Canada, Argentina and Australia increased from 334,000,000 to 670,000,000 bushels, an increase of 336,000,000 bushels. This increase makes up for the 156,000,000 bushels formerly exported by Russia, 70,000,000 from the Danube basin, a shortage of 47,000,000 in the exports from India and contributes 63,000,000 bushels toward making up for short crops in importing countries. This statement of the situation suggests the desirability of forecasting developments in Russia and the Balkan countries as well as in other surplus wheat producing countries as an aid to farmers in deciding what adjustments should be made in production in the United States.

The wheat situation should not be considered without reference to rye because of the importance of rye as a bread grain in Europe.

The United States, Canada and Argentina have replaced Germany, Russia and the Danube basin as sources of rye for other European countries. Before the war (1909-13) these countries exported less than a million bushels of rye, whereas Russia, Germany, Austria-Hungary, Bulgaria and Rumania exported 73,000,000 bushels. Since the war (1919-22), Russia has until recently been out of the market, Germany has been importing instead of exporting rye, and the Balkan countries have been only meeting their own needs. The United States, Canada and Argentina have exported annually an average of 50,000,000 bushels, last year 58,000,000 bushels. Most of this has been contributed by the United States, with an annual

average of 44,000,000 bushels, last year nearly 48,000,000 bushels. The increase in exports of rye from the United States alone approximately makes up for the loss of the exports of Russia and the Danube basin region.

It is probably true that the world as a whole is not producing much more wheat and rye than before the war, but under war conditions people formed the habit of using less wheat per capita than formerly and conditions in some of the importing countries are such as to limit the amount of bread grain that can be purchased at prices satisfactory to the American wheat grower. While supply is an important factor in influencing prices, demand is equally important. Wise adjustments in agriculture will tend to fit the supply to the demand on the basis of satisfactory prices.

Farmers have continued to produce wheat because even though the price was low it was more profitable than corn or oats, but the time has come when the wheat farmer is giving careful thought to his alternatives. "What else can be produced besides wheat that will pay as well or better than wheat," is the question to which he must give first attention. To do this he must forecast the probable returns to be secured from the various crops which he can produce. In casting about the farmer will naturally compare the prospective profits of wheat growing with the prospective profits of those land uses which were displaced by wheat. Has pasture land been plowed up and put in wheat which would be more profitable at this time if returned to pasture? Has corn and hay land in the Corn Belt been devoted to wheat instead of corn and hay? Have milo and kafir been crowded out for wheat in western Kansas and Oklahoma? Would these crops pay better than wheat?

Statistics show that much of the increase in wheat in Kansas was in the eastern part of the State where it took the place of corn and oats, but a part of it was in the western part of the State where it occupied lands not formerly in crops. The same thing is true of Oklahoma, but in Colorado, Montana and Nebraska the increased acreage in wheat must be accounted for largely in terms of grazing lands brought under cultivation. In Ohio, Illinois and Missouri the increased acreage in wheat may be almost wholly accounted for by reduction in the acreage of corn and oats. In the region where increased wheat acreage was due to reduction in other crops, the question arises as to whether the farmers will find it profitable to shift back to the pre-war basis, with more corn and oats and less wheat. In the western wheat regions where land, formerly in wild hay or pasture, has been plowed up and put into wheat the question may be whether wheat production should continue or whether some of this land should revert to pasture.

The answers to these questions must be left to the individual farmers who must make the decision for themselves. If, after all the alternatives have been considered, wheat at present and prospective prices pays better than anything else to which the farmer can turn as a means of utilizing his land, labor and equipment, then he had better stay by wheat. If the alternatives give promise of paying better, he should make readjustments. It may be true some wheat farmers are located on lands on which other crops can not be successfully grown - lands which were formerly considered valuable only as grazing lands. If farmers can not make a living on these lands by growing wheat, these lands should of course ultimately be devoted to grazing, but, in the meantime, the wheat farmer must live, and his available alternatives may not relate to other crops on the farm which he now occupies, but to farming in other parts of the country where diversified agriculture is possible, or to some other occupation for which he may be fitted.

While wheat today holds the center of the stage in the play of economic forces which constitute the "agricultural situation", tomorrow it may be hogs, the next day corn, and even cotton and tobacco may again be found in the foreground if great wisdom is not used in making readjustments. It may be that the most important adjustment to be made is the bringing about of a right balance between agriculture and other industries, rather than important changes from the pre-war balance between the various lines of agricultural production. From what has been said it should be obvious that indiscriminate cutting in wheat production is not to be recommended, neither is indiscriminate quitting of farming to go into other industries recommended. In every case it is a question of alternatives. Each farmer should carefully review the possibilities which lie before him. Undoubtedly diversification will result, from careful thought on this subject, in many of those States where the surplus wheat acreage is found. On the other hand, it may be that wheat even at the present price is more profitable than any alternative crop in those regions where it is grown as a part of a diversified system of farming.

Every farmer who is not able to make a living where he is, should review carefully his own possibilities but should not make a blind move into other types of farming or into city occupations. There are, however, thousands of farmers who are skilled in the industries of the city who will doubtless turn to their former occupations for relief. Also there are doubtless thousands of farmers who turned from corn and oats to wheat during the war who will now find it profitable to go back to their pre-war basis of crop selection.

The shifting about from one line of production to another will not solve the problem and should not be indulged in beyond the slight amount of readjustment which may be needed to bring about a proper balance. What is needed is something that will bring about a proper equilibrium between the prices of farm products and the prices of the products of other industries. Wages are high in the city industries, while agriculture has continued to produce a full quota of products only to find itself in a position to exchange them for only about 70 per cent as much of the other products as it could before the war. Many other industries have continued to hold relatively high prices on their products through curtailment of production. If agriculture were equally well organized and followed the same practices as organized industry and labor, the result would increase the farmer's percentage in the national income, but the national income would be greatly reduced.

What would serve much better the interests of both the farmer and the consumers of farm products would be for the city workers to produce and supply to farmers larger quantities of products in exchange for the products of the farms. From a national point of view it is not desirable to have city workers consume less of farm products, but it is desirable to have them produce more of the things which farmers need to buy and exchange them for farm products on a more equitable basis.